on handlooms for lower and middle class. The Act is being implemented through the Central and State Government Enforcement Machineries.

Strengthening of domestic Textile Industry

296. SHRIMATI N.P DURGA: Will the Minister of TEXTILES be pleased to state:

(a) the volume of textiles that India is expected to export during 2005-06 in the light of the textile sector entering into the GATT discipline of WTO;

(b) whether it is not a fact that domestic industry is exposed to international competition from 1st January, 2005; and

(c) if so, what measures the Government are taking to strengthen the domestic textile industry, including cotton industry?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) With removal of quotas, Indian textile exportsare expected to cross $ 15 billion in 2005-06. According to a study by CRISIL (commissioned by Indian Cotton Mills Federation), the India's textile and clothing industry has the potential to double the country's share of the global textiles and clothing market to 6 per cent, implying export earnings of US$ 40 billion by 2010.

(b) The free global trading regime would result in increased international trade in textiles thus providing greater export opportunities for the indigenous textile industry. At the same time, it will expose the domestic industry to increased competition in the international market. The industry will have to improve its efficiency and productivity to meet the emerging global competition.

(c) Government has been taking a number of steps from time to time to strengthen the Indian textile industry, including cotton industry to meet the emerging global competition. Some of the important initiatives taken are:

(i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(ii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures. This further encourages modernisation.

(iii) With a view to making fabric production competitive, the custom duty on shuttleless looms has been brought from 15% to 5%.

(iv) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/improvement of existing market yards.

(v) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres to give fillip to exports.

(vi) For upgrading infrastructure facilities at important textile centres, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

Besides, to prepare domestic textile industry, for meeting the growing global competition, the following important announcements have been made in the Union Budget 2004-05:

Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain including cotton textile and cotton clothing items have been given excise exemption option.

Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Good of Special Importance) Act have been abolished.

Basic customs duty on various textile machinery and spare parts has been reduced to 5%.